

# Alternative energy 'around corner,' Bush says

**By Julianna Goldman**

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President Bush said the technology that will let the United States produce fuel from farm waste, wood chips and other sources to lessen the country's dependence on foreign oil is "around the corner."

The president said research into alternative fuel production is critical to meeting the nation's future energy demands while making progress on cutting air pollution.

"I know it sounds like a pipe dream to some," Bush said at a plant operated by Novozymes A/S unit Novozymes North America Inc. in Franklinton, North Carolina. Novozymes, based in Denmark, is the world's biggest producer of enzymes used in production of biofuels. "We're on the verge of breakthroughs that will enable a pile of wood chips to become the raw materials for fuels that'll run your car."

Bush, who has pledged to break the United States from its "addiction" to imported oil, included in his fiscal 2008 budget \$9 billion in loan guarantees to support a mandate he's set out for the country to use 35 billion gallons of renewable fuels annually in the next 10 years.

High oil prices and tighter vehicle emission regulations in the United States and Europe are increasing demand for biofuels worldwide.

The U.S. now produces about 6 billion gallons of ethanol annually, almost all of it from corn. That demand has driven up corn futures prices 82 percent on the Chicago Board of Trade in the past year, raising costs for fuel producers and food processors.

The Department of Agriculture estimates ethanol will use 27 percent of the nation's corn crop in the coming year. Achieving Bush's goal would require more corn than the U.S. can produce, so the president is emphasizing technology to produce so-called cellulosic ethanol made from switchgrass, cornstalks and agricultural waste.

Among those in the audience was Steen Riisgaard, president and chief executive officer of Novozymes. Bush noted his presence to again tout the benefits of free trade and international commerce.

"I want you to remember that if this country were to wall ourselves off from the world, we would miss opportunities to find markets for our products and at the same time miss opportunities for citizens who work at a facility like this to find good work," he said.

The enzymes produced by the company speed chemical reactions that break down starches in plant material so it can be converted to fuel. Using the enzymes on material such as woodchips and other agricultural waste helps reduce the cost of producing cellulosic ethanol, according to the White House.

Novozymes received a government grant for research on ways to make the enzymes more cheaply, and the result has been costs cut by a factor of 30, according to Bush.

The president's proposal to reduce gasoline consumption has yet to be fleshed out in the form of legislation for Congress. White House spokeswoman Dana Perino said the administration has laid out "a set of principles" and will leave it to lawmakers to work out the details.

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